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June 4, 2008

Sharonrose Cannistraci, Esq.
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Marco Quazzo, Esq.
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Re: Pet Imaging of San Jose, LLC v Health Imaging, Inc.
Case # 08-00154 JF MED

Dear Counsel:

As you know, I have been appointed by the District Court to serve as the mediator in this case. At the request of the Court, attached is a resume which describes my professional experience. A brief summary of my approach to mediation also accompanies this letter.

I am writing you regarding the pre-mediation telephone conference, to be held pursuant to ADR L.R. 6-6, with the lead counsel for each party in this case. (Any other lawyers involved in this case who wish to participate in the call are also welcome to join us). In our call we will be discussing the following:

- the nature and status of the case;
- any settlement discussions to date;
- any matters that have posed impediments to settlement and could continue to do so;
- any suggestions you may have to overcome these obstacles and to maximize our opportunities for a successful mediation session;
- the Court's requirements regarding your mediation statements;

- the date by which the mediation statements need to be delivered to me and opposing counsel;
- the procedures to be followed in the mediation session;
- an appropriate date for the mediation and the anticipated length of the session; and
- any other questions you might have about the District Court's mediation program.

The telephone conference call normally runs for approximately 30-45 minutes and I would appreciate lead counsel advising me, by 9 am on this coming Tuesday June 9, at what times on Thursday June 12 and Friday June 13, 2008 you would be available for this call.

Prior to our conference call, please check your calendars and also obtain the dates from your clients between June 26 and July 24, 2008 when all of you would be available to be physically present at and participate in a mediation session. As you are aware, under the current court order, the current deadline for the mediation session is August 8, 2008.

Prior to our call, it may also be useful for you to review ADR L.R. 6, which governs the USDC mediation program.

My conflicts check disclosed no actual or potential conflicts of interest under 28 U.S.C. 455(a) and (b), and I am not aware of any other circumstances that would compromise my impartiality or appearance of impartiality.

I look forward to working with all of you to achieve a mediated settlement of this case satisfactory to the parties.

Sincerely,

Mark F. Katz